

<i>SERFF Tracking Number:</i>	<i>UNKP-125653837</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Milwaukee Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>AR-CF-0809-01-375</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Fire &amp; Allied Lines</i>		
<i>Project Name/Number:</i>	<i>/AR-CF-0809-01-375</i>		

## Filing at a Glance

Company: Milwaukee Casualty Insurance Company

Product Name: Commercial Fire & Allied Lines SERFF Tr Num: UNKP-125653837 State: Arkansas

TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: AR-CF-0809-01-375 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Authors: Denise Freund, Tyrone Disposition Date: 05/30/2008

Settlemier

Date Submitted: 05/20/2008 Disposition Status: Approved

Effective Date Requested (New): 09/01/2008 Effective Date (New): 09/01/2008

Effective Date Requested (Renewal): 09/01/2008 Effective Date (Renewal): 09/01/2008

State Filing Description:

## General Information

Project Name:

Project Number: AR-CF-0809-01-375

Reference Organization: NA

Reference Title: NA

Filing Status Changed: 05/30/2008

State Status Changed: 05/30/2008

Corresponding Filing Tracking Number:

Filing Description:

Filing to adopt all currently approved Company forms for new company - Milwaukee Casualty Insurance Co.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number: NA

Advisory Org. Circular: NA

Deemer Date:

## Company and Contact

SERFF Tracking Number: UNKP-125653837 State: Arkansas  
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 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
 Product Name: Commercial Fire & Allied Lines  
 Project Name/Number: /AR-CF-0809-01-375

### Filing Contact Information

Freund Denise, State Filings Analyst dfreund@unitrin.com  
 12790 Merit Drive (800) 777-2249 [Phone]  
 Dallas, TX 75251 (214) 360-8060[FAX]

### Filing Company Information

Milwaukee Casualty Insurance Company CoCode: 26662 State of Domicile: Wisconsin  
 12790 Merit Drive Group Code: 215 Company Type: Prop & Cas  
 Dallas, TX 75251 Group Name: Unitrin Prop & Cas State ID Number:  
 (800) 777-2249 ext. 8194[Phone] FEIN Number: 39-1190263  
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### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Milwaukee Casualty Insurance Company	\$50.00	05/20/2008	20416499

<i>SERFF Tracking Number:</i>	<i>UNKP-125653837</i>	<i>State:</i>	<i>Arkansas</i>
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## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved	Llyweyia Rawlins	05/30/2008	05/30/2008

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## Disposition

Disposition Date: 05/30/2008

Effective Date (New): 09/01/2008

Effective Date (Renewal): 09/01/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: UNKP-125653837 State: Arkansas

Filing Company: Milwaukee Casualty Insurance Company State Tracking Number: EFT \$50

Company Tracking Number: AR-CF-0809-01-375

TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Fire & Allied Lines

Project Name/Number: /AR-CF-0809-01-375

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Company Cover Letter	Approved	Yes
Form	Notice- Terrorism Coverage- Rejection Statement	Approved	Yes
Form	Notice- Exclusion of Loss Due to Virus/Bacteria	Approved	Yes
Form	Notice- Privacy Policy	Approved	Yes
Form	Commercial Property Expanded Coverage	Approved	Yes
Form	Hotel/Motel Supplement	Approved	Yes
Form	Equipment Breakdown Coverage	Approved	Yes
Form	Equipment Breakdown Coverage Schedule	Approved	Yes
Form	Food Borne Contamination Coverage	Approved	Yes
Form	Business Income- Actual Loss Sustained	Approved	Yes
Form	Notice- Restrictions of Terrorism	Approved	Yes
Form	OFAC	Approved	Yes

SERFF Tracking Number: UNKP-125653837 State: Arkansas

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TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Fire & Allied Lines

Project Name/Number: /AR-CF-0809-01-375

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Notice- Terrorism Coverage-Rejection Statement	30-0722	04 04	Disclosure/ New Notice		0.00	(SERFF) 30-0722 04 04 Interline Notice Rej With Prem.pdf
Approved	Notice- Exclusion of Loss Due to Virus/Bacteria	30-0866	07 06	Disclosure/ New Notice		0.00	(SERFF) 30-0866 07 06 Virus Bacteria PHN.pdf
Approved	Notice- Privacy Policy	60-0446	03 03	Disclosure/ New Notice		0.00	(SERFF) 60-0446 03 03 Privacy Notice.pdf
Approved	Commercial Property Expanded Coverage	31-1113	01 05	Endorsement/Amendment/Conditions	New	0.00	(SERFF) 31-1113 01 05 Commercial Property Expanded Coverage.pdf
Approved	Hotel/Motel Supplement	31-1115	01 05	Endorsement/Amendment/Conditions	New	0.00	(SERFF) 31-1115 01 05 Hotel Motel.pdf
Approved	Equipment Breakdown Coverage	31-1117	01 05	Endorsement/Amendment/Conditions	New	0.00	(SERFF) 31-1117 01 05 Equipment Breakdown Coverage.pdf

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TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Fire & Allied Lines

Project Name/Number: /AR-CF-0809-01-375

Approved	Equipment Breakdown Coverage Schedule	31-1118	01 05	Endorsement/Amendment/Conditions New	0.00	(SERFF) 31-1118 01 05 Equipment Breakdown Schedule.pdf
Approved	Food Borne Contamination Coverage	31-1136	09 06	Endorsement/Amendment/Conditions New	0.00	(SERFF) 31-1136 09 06 Food Contamination All Other States.pdf
Approved	Business Income-Actual Loss Sustained	31-1139	04 07	Endorsement/Amendment/Conditions New	0.00	(SERFF) 31_1139_04_07_Business_Income_Actual_Loss_Sustained.pdf
Approved	Notice-Restrictions of Terrorism	30-0873	12 07	Disclosure/ New Notice	0.00	SERFF 30_0873_12_07_PHN_Restrictions_of_Terrorism_Coverage.pdf
Approved	OFAC	IL P 001	01 04	Disclosure/ New Notice		IL P 001 01 04 OFAC.pdf





POLICY NUMBER:  
POLICY EFFECTIVE DATE:

COMPANY REJECTION  
30-0722 04 04

## NOTICE – TERRORISM COVERAGE

### REJECTION STATEMENT

I have read the RESTRICTIONS OF TERRORISM COVERAGE – NOTICE TO POLICYHOLDERS and I hereby reject the offer of terrorism coverage. I understand that an exclusion of certain terrorism losses will be made a part of my policy.

I REJECT THE TERRORISM COVERAGE:

\_\_\_\_\_  
(Signature of Insured)

\_\_\_\_\_  
(Date Signed)

\_\_\_\_\_  
(Signature of Insured)

\_\_\_\_\_  
(Date Signed)

*Trinity Universal Insurance Company  
Trinity Universal Insurance Company Of Kansas, Inc.  
Security National Insurance Company*

*Milwaukee Casualty Insurance Co.  
Milwaukee Insurance Company  
Valley Insurance Company  
Valley Property & Casualty Insurance Company*

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

### **ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

#### **Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP 01 40**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

## IMPORTANT NOTICE REGARDING OUR PRIVACY POLICY

Trinity Universal Insurance Company  
Security National Insurance Company  
Trinity Universal Insurance Company of Kansas, Inc.  
Milwaukee Casualty Insurance Co.  
Milwaukee Safeguard Insurance Company  
Milwaukee Insurance Company (a nonowned affiliate)  
Valley Insurance Company  
Valley Property & Casualty Insurance Company  
Charter County Mutual Insurance Company



## **Types of Information We May Collect**

We may collect Information about you that we receive from:

- You on applications and other forms. Examples include your name, address, date of birth, phone number, social security and driver license numbers;
- Your agent;
- Your transactions with our affiliates, others, or us. Examples include your policy's account balance, your premium payment history, and your bank account number; and
- Outside sources such as consumer reporting agencies, including motor vehicle records, credit reports and claim history reports.

## **Types of Information We May Disclose, And To Whom**

We may disclose all of the Information above, with some exceptions, to other companies.

For instance, we may share your Information with companies that perform marketing for us or with financial institutions that have joint marketing agreements with us. If we do, we may disclose to those companies all of the information described above, although we will not disclose your nonpublic personal health information, without your permission, for the sole purpose of joint marketing.

We will not share your Information with anyone else without your permission unless:

1. They are helping us service or process a transaction, or
2. We are otherwise permitted or required by law to do so.

Examples of others with whom we may share your Information without your permission include:

- People or organizations that perform a business function for us. Examples are a company that helps us:
  1. Print payment coupons,
  2. Adjust or investigate claims,
  3. Program software to help us process customers' transactions; or
  4. Market our own products or minimize unnecessary marketing to you.
- Your agent or broker;
- Regulatory and law enforcement authorities, such as government offices or courts which subpoena records;
- Insurance support organizations which gather data to help deter or prevent insurance crimes;
- Other insurance companies or support organizations for an insurance transaction involving you. An example is the purchase of reinsurance;
- Businesses which conduct actuarial or research studies;
- Our affiliates, for internal or agency audits or the marketing of an insurance product or service; and
- A company that may acquire a line of business or function or book of business from us.

## **Security of Your Information**

We have procedures and policies to help us protect your Information from unauthorized use or access. At our companies, we restrict access to protected information to the employees who have a business need for it. When we share Information with companies who work on our behalf, we protect it where required by federal law with a confidentiality agreement. We also have physical, electronic and procedural safeguards to guard your Information.

## **If You Are an Internet User**

If you use the Internet and access the website of one or more of our companies, it may have other information on your use of that website.

## **State Exceptions**

This notice is not intended for use in Arizona, California, Georgia, Illinois, Minnesota, Montana, Nevada, Ohio or Oregon. If you have Personal Lines Coverage with us in one of these states, or are involved in an insurance transaction involving such coverage in one of these states, additional privacy provisions also apply. Contact the company or your agent for a copy of the privacy policy applicable in your state.



**COMMERCIAL PROPERTY EXPANDED COVERAGE**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COMMERCIAL PROPERTY EXPANDED COVERAGE SCHEDULE**

- ☒ **Section I – Expanded Property Coverage**  
 Building and Personal Property Coverage Form – CP 00 10  
 Cause of Loss – Special Form – CP 10 30

\$ \_\_\_\_\_

- ☐ **Section II – Expanded Inland Marine Coverage**

**Limit of Insurance**

\$ \_\_\_\_\_ Accounts Receivable (CM 00 66)

\$ \_\_\_\_\_ Computer Coverage (IM 7201)

\$ \_\_\_\_\_ Any One Sign (CM 00 28)

\$ \_\_\_\_\_

- ☐ **Section III – Expanded Crime Coverage (*Loss Sustained*) (CR 00 21)**

**Limit of Liability****Insuring Agreements**

\$ \_\_\_\_\_ 1. Employee Theft

\$ \_\_\_\_\_ 2. Forgery Or Alteration

\$ \_\_\_\_\_ 3. Inside The Premises – Theft Of Money And Securities

\$ \_\_\_\_\_ 5. Outside The Premises

\$ \_\_\_\_\_

- ☐ **Section IV - Expanded Business Income Coverage**

**Limit of Liability**

\$ \_\_\_\_\_ Business Income And Extra Expense (CP 00 30)

\$ 100,000 Business Income From Dependent Properties (CP 15 08)

\$ \_\_\_\_\_

**Total Commercial Property Expanded Coverage Premium** \$ \_\_\_\_\_

## COMMERCIAL PROPERTY EXPANDED COVERAGE

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

### SECTION I - EXPANDED PROPERTY COVERAGE

This endorsement modifies insurance provided under the following:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10  
CAUSE OF LOSS – SPECIAL FORM – CP 10 30

#### CP 00 10 – BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The Building And Personal Property Coverage Form is modified as follows:

##### **A. Coverage**

##### **4. Additional Coverages**

##### **a. Debris Removal**

Paragraph (4) is replaced with the following:

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

The following is added:

(6) We will pay your expenses to remove windblown debris of property not covered from your described premises.

The most we will pay for loss or damage under this extension is \$5,000.

##### **c. Fire Department Service Charge**

The first paragraph is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges.

##### **d. Pollutant Clean Up And Removal**

The third paragraph is replaced by the following:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

##### **e. Increased Cost Of Construction**



Paragraph **(6)** is replaced by the following:

- (6)** The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$50,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$50,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

The following are added to **4. Additional Coverages**:

**g. Fire Extinguisher Recharge**

**(1)** We will pay:

- (a)** The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (b)** For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

**(2)** No coverage will apply if the fire extinguishing system is discharged during installation or testing.

**(3)** The most we will pay under this Additional Coverage is \$2,500.

No deductible applies to this Additional Coverage.

**h. Arson Reward**

In the event loss to your covered property is of a suspicious nature, we will pay a \$10,000 reward to an individual or individuals provided:

- (1)** The individual or individuals report the suspected arsonist to local law enforcement officials; and
- (2)** The arsonist is apprehended, brought to trial, and convicted of arson to your Covered Property.

The most we will pay for a loss, annually under this provision is \$10,000, regardless of the number of individuals giving information.

No deductible applies to this Additional Coverage.

**i. Spoilage**

**(1) Covered Property**

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

**(2)** The following is added to Paragraph **A.2. Property Not Covered**:

**q. Property Located:**

- (1)** On buildings;
- (2)** In the open; or
- (3)** In vehicles.

**(3) Covered Causes Of Loss**

- (a) Breakdown or Contamination, meaning:
  - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
  - (ii) Contamination by the refrigerant.
- (b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control

**(4) Selling Price**

The following is added to **E. Loss Conditions Paragraph 7. Valuation:**

We will determine the value of finished "perishable stock" in the event of loss or damage at:

- (a) The selling price, as if no loss or damage had occurred;
  - (b) Less discounts and expenses you otherwise would have had.
- (5) The most we will pay under this extension is \$10,000.
- (6) Paragraph **A.5. Coverage Extensions** does not apply.
- (7) Paragraph **B. Exclusions** is replaced by the following:

**Exclusions**

- (a) Only the following EXCLUSIONS contained in paragraph **B.1.** of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:
  - (i) EARTH MOVEMENT;
  - (ii) GOVERNMENTAL ACTION;
  - (iii) NUCLEAR HAZARD;
  - (iv) WAR AND MILITARY ACTION; and
  - (v) WATER.
- (b) The following EXCLUSIONS are added:

We will not pay for loss or damage caused by or resulting from:

- (i) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
  - i. Lack of fuel; or
  - ii. Governmental order.
- (iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

- (v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

**(8) Paragraph D. Deductible** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of that Deductible, up to \$10,000.

**(9) Paragraph G. Optional Coverages** does not apply.

**(10)** The following is added to the DEFINITIONS:

**"Perishable Stock"** means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to loss or damage if the controlled conditions change

**j. Inventory Or Appraisal Cost**

We will pay up to \$5,000 for expenses incurred by the insured, at the company's request, to assist in the determination of the amount of covered loss such as taking inventory and having appraisals done.

**k. Brands And Labels**

- (1)** If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
  - (a) Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
  - (b) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.
- (2)** We will pay reasonable costs you incur to perform the activity described in **(1)(a)** and **(1)(b)** above. But the total we will pay for these costs and the value of the damaged property will not exceed \$2,500.

**l. Utility Services – Direct Damage**

**(1) Coverage**

We will pay for loss of or damage to Covered Property described in the policy, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **(3)** and is located off the described premises.

**(2) Exception**

Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Building and Personal Property Coverage Form.

**(3) Utility Services**

- (1) Water Supply Services**, meaning the following types of property supplying water to the described premises:
  - (i) Pumping stations; and
  - (ii) Water mains.

**(2) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (i)** Communication transmission lines, including optic fiber transmission lines;
- (ii)** Coaxial cables; and
- (iii)** Microwave radio relays except satellites.

It does not include overhead transmission lines.

**(3) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i)** Utility generating plants;
- (ii)** Switching stations;
- (iii)** Substations;
- (iv)** Transformers; and
- (v)** Transmission lines.

It does not include overhead transmission lines.

**(4)** The most we will pay for loss or damage under this provision is \$50,000. This limit does not increase the Limit of Insurance stated in the Declarations.

#### **m. Fine Arts**

##### **(1) Coverage**

We will pay up to \$10,000 to cover direct physical loss caused by a covered peril to "fine arts".

##### **(2) Perils Insured Against**

We will cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded by the Property Causes of Loss – Special Form.

We will not pay for loss caused by processing of or work upon the covered property including repairs or restoration. We will not pay for any reduction in the value of damaged property after the damage has been repaired.

##### **(3) Valuation**

In the event of loss or damage, we will pay the actual cash value of the item, subject to the limitation of any one occurrence. The actual cash value will be the price the insured paid for the item or the value as determined by an appraisal of the item not more than 360 days prior to the date of loss or damage.

In no event will the actual cash value exceed the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable.

##### **(4) Definitions**

- (a)** "Fine Arts" means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" furniture; "antique" jewelry; bric-a-brac; porcelains, and similar property of rarity, historical value or artistic merit.
- (b)** "Antique" means an object having value because its:
  - (i)** craftsmanship is in the style or fashion of former times; and
  - (ii)** age is 100 years old or older.

#### **n. Ordinance Or Law Coverage**

- (1) Coverage For Loss To The Undamaged Portion Of The Building is provided under this extension.

**(2) Application Of Coverage**

The Coverage provided by this extension applies only if both **(2)(a)** and **(2)(b)** are satisfied and are then subject to the qualifications set forth in **(2)(c)**.

**(a)** The ordinance or law:

- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises shown on the Declarations; and
- (ii) Is in force at the time of the loss.

Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

- (b)** (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained covered direct physical damage.

- (c)** In the situation described in **(2)(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverage of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **(8)** of this Additional Coverage provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of coverage of this Additional Coverage

**(3)** We will not pay for:

- (a)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b)** The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

**(4) Coverage**

**(a) Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building

Coverage is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. This coverage does not increase the Limit of Insurance.

## **(5) Loss Payment**

The following loss payment Provision is subject to the apportionment procedures set forth in Section **(2)(c)** Additional Coverage

When there is a loss in value of an undamaged portion of a building to which coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (a)** If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
  - (i)** The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
  - (ii)** The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (b)** If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
  - (i)** The actual cash value of the building at the time of loss; or
  - (ii)** The Limit of Insurance shown in the Declarations as applicable to the covered building.

**(6)** The terms of this Additional Coverage applies separately to each described building.

**(7)** Under this Additional Coverage we will not pay for loss due to any ordinance or law that:

- (a)** You were required to comply with before the loss, even if the building was undamaged; and
- (b)** You failed to comply with.

**(8)** Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **(2)(c)** of this Additional Coverage.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

**(9) The following definition is added:**

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**5. Coverage Extensions**

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

The last paragraph is replaced with the following:

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

**(2) Your Business Personal Property**

The last paragraph is replaced with the following:

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

**(3) Period Of Coverage**

Paragraph **(b)** is replaced with the following:

**(b)** 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

**b. Personal Effects And Property Of Others**

The last paragraph is replaced with the following:

The most we will pay for loss or damage under this Extension is \$25,000 at each described premise. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records – (Other Than Electronic Data)**

Paragraph **(4)** is replaced by the following:

**(4)** Under this Extension, the most we will pay to replace or restore the lost information is \$25,000. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**e. Outdoor Property**

The first paragraph is amended to include the following:

- (1)** Retaining walls above ground, walkways, patios;
- (2)** Outdoor lighting fixtures (but excluding the breakage of glass parts except as a direct result of fire or lighting), street and traffic signs, and awnings;
- (3)** Wiring, and wiring for masts or towers, for radio, television or satellite dishes;
- (4)** The cost of excavation, grading or backfilling;
- (5)** Foundations of buildings, structures, boilers or machinery if their foundations are below:
  - (a)** The lowest basement floor; or

- (b) The surface of the ground, if there is not a basement;
- (6) Underground pipes, flues and drains;
- (7) Underground wiring for telephones and cable television;

The last paragraph is replaced with the following:

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

#### **C. Limits Of Insurance**

The following limit provision is added.

The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

#### **CP 10 30 – CAUSES OF LOSS – SPECIAL FORM**

The Causes Of Loss – Special Form is modified as follows:

#### **B. Exclusions**

The following is added to Exclusion **B.1.a**:

##### **a. Ordinance Or Law**

The following is added to this exclusion:

The Ordinance or Law exclusion provision in the Causes of Loss – Special Form applies, except for any provisions as provided in Increased Cost of Construction and Ordinance or Law above.

The following is added to Exclusion **B.1.e**:

##### **e. Utility Services**

The Utility exclusion provision in the Causes of Loss – Special Form applies, except for any provisions as provided in Section **A.4.i**. Utility Services – Direct Damage above.

The following is added to Exclusion **B.1.g**:

##### **g. Water**

Paragraph (3) is replaced with the following:

- (3) Water that backs up or overflows from a drain other than a sewer drain; or

The following is added to Exclusion **2.d.(7)**:

- (d) Except as provided in Section **A.4.i**. Spoilage above.

#### **F. Additional Coverage Extensions**

##### **1. Property In Transit**

Paragraph **F.1.a**. is amended as follows:

- a. You may extend the insurance provided by this Coverage Part to your personal property in transit while:
  - (1) In or on a motor vehicle you own, lease, or operate; or



**(2)** Shipped at your own risk;  
between points in the coverage territory.

Paragraph **F.1.c.** is amended as follows:

**c.** The most we will pay for loss or damage under this Extension is \$25,000.

## **SECTION II - EXPANDED INLAND MARINE COVERAGE**

The Expanded Inland Marine Coverage Section of this endorsement applies if indicated on the Schedule of this endorsement.

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown for Expanded Inland Marine Coverage on the Commercial Property Expanded Coverage Schedule.

If Expanded Inland Marine Coverage is indicated on the schedule the following forms are attached.

**ACCOUNTS RECEIVABLE COVERAGE FORM – CM 00 66**

**COMPUTER COVERAGE – IM 7201**

**SIGNS COVERAGE FORM – CM 00 28**

**COMMERCIAL INLAND MARINE CONDITIONS – CM 00 01**

This endorsement modifies insurance provided under the following:

ACCOUNTS RECEIVABLE COVERAGE FORM  
COMPUTER COVERAGE  
SIGNS COVERAGE FORM

### **CM 00 66 – ACCOUNTS RECEIVABLE COVERAGE FORM**

This Accounts Receivable Coverage Form is modified as follows:

#### **C. Limits Of Insurance**

This paragraph is replaced with the following:

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.

### **IM 7201 - COMPUTER COVERAGE FORM**

This Computer Coverage Form is modified as follows:

#### **A. HOW MUCH WE PAY**

##### **1. Insurable Interest**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.

We do not cover more than your insurable interest in any property.

### **CM 00 28 – SIGNS COVERAGE FORM**

This Signs Coverage Form is modified as follows:

#### **C. Limits Of Insurance**

This paragraph has been replaced with the following:

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.

### **SECTION III - EXPANDED CRIME COVERAGE**

The Expanded Crime Coverage Section of this endorsement applies if indicated on the Schedule of this endorsement.

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown for Expanded Crime Coverage on the Commercial Property Expanded Coverage Schedule.

If Expanded Crime Coverage is indicated on the schedule the following forms are attached:  
**COMMERCIAL CRIME COVERAGE FORM – CR 00 21**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED)

#### **CR 00 21 - COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)**

This Commercial Crime Coverage Form (Loss Sustained Form) is modified as follows:

##### **A. Insuring Agreements**

The first Paragraph is replaced by the following:

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Commercial Property Expanded Coverage Schedule.

Paragraph 4. Outside the Premises is amended by the following:

##### **4. Outside The Premises**

Paragraph c. is added:

- c. In regards to a. and b. we will pay only for the amount of loss that you can not recover:
  - (i) Under your contract with the armored motor vehicle; and
  - (ii) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

##### **B. Limits Of Insurance**

This paragraph has been replaced with the following:

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.

#### **SECTION IV - EXPANDED BUSINESS INCOME COVERAGE**

The Expanded Business Income Coverage Section of this endorsement applies if indicated on the Schedule of this endorsement.

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown for Business Income Coverage on the Commercial Property Expanded Coverage Schedule.

If Expanded Business Income Coverage is indicated on the schedule the following forms are attached:

**BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – CP 00 30**

**BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM – CP 15 08**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM

#### **CP 00 30 - BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM**

The Business Income (And Extra Expense) Coverage Form is modified as follows:

##### **A. Coverage**

##### **5. Additional Coverages**

##### **c. Extended Business Income**

Paragraph (1)(b)(ii) is amended as follows:

(ii) 180 consecutive days after the date determined in (1)(a) above.

##### **6. Coverage Extension**

##### **Newly Acquired Locations**

Paragraph (c) is replaced with the following:

(c) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

##### **B. Limits Of Insurance**

The first paragraph is replaced with the following:

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.

#### **CP 15 08 – BUSINESS INCOME FROM DEPENDENT PROPERTIES – BROAD FORM**

The Business Income From Dependent Properties – Broad Form is modified as follows:

Paragraph A. is replaced as follows:

- A.** We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by or resulting from direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss. However, coverage under this endorsement does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt, or replaced. The term electronic data has the meaning set forth in the Business Income (And Extra Expense) Coverage Form.

Paragraph **B.** is replaced as follows:

**B. Limits Of Insurance**

1. The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Commercial Property Expanded Coverage Schedule.
2. The provisions of the Business Income Coverage Form with respect to direct physical loss or damage at the described premises will apply to (A) Contributing Locations, (B) Recipient Locations, (C) Manufacturing Locations and (D) Leader Locations.

## **SECTION V – COMMERCIAL PROPERTY EXPANDED COVERAGE**

### **LIMITATIONS AND EXCLUSIONS**

The following Limitations and Exclusions are in addition to those found in the Building And Personal Property Coverage Form and the Cause Of Loss – Special Form, at the described premises shown in the Declarations or found elsewhere in this endorsement.

#### **A. PROPERTY OF OTHERS**

We will not pay for loss or damage to the following Property Of Others:

1. Property insured, which has been in your custody for a period in excess of six (6) months, except as may be otherwise specifically provided; and
2. Autos, which mean land motor vehicles, licensed and designed for travel on public roads but does not include mobile equipment.

#### **B. LIMITS OF INSURANCE**

It is agreed and understood that if a coverage does not specifically show a limit per Location, Building, or Premises then it is on a per policy basis.

#### **C. DEDUCTIBLE**

As this endorsement is an expansion of other coverage forms applicable to the policy, unless indicated otherwise in this endorsement, the deductible indicated on those forms would apply.

#### **D. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Additional Conditions in the Building and Personal Property Coverage Form or the Commercial Property Conditions Form.

##### **1. Conflict Of Provisions**

When not in conflict with the provisions of this endorsement, all of the conditions of the policy to which this endorsement is attached, shall apply.

##### **2. Insurance Under Two Or More Coverages**

Covered Property does not include Property that is specifically described under any other provision of this policy.

##### **3. Valuation**

Where not otherwise indicated, we shall not pay beyond the actual cash value of the property at the time of the loss or damage occurs. The loss or damage shall be ascertained or estimated according to such actual cash value and shall in no event exceed what it would cost to repair or replace with the same material of like kind and quality.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## MOTEL - HOTEL SUPPLEMENT

Applicable only to Motel - Hotel risks whose business is principally the providing of temporary lodging accommodations.

In consideration of the additional premium charged, this endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 0010

The following items are added to Paragraph 4. **Additional Coverages** under Section A. **Coverage**:

### 4. Additional Coverages

#### g. Alternative Key Systems:

- (1) We will pay for loss or damage to “**alternative key systems**”. These include card-programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys work. The loss must be caused by a covered cause of loss and take place at a covered location. The most we will pay for loss or damage to “**alternative key systems**” is \$100,000 in any one loss.
- (2) We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a covered cause of loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys or, if required, new locks, including the cost of their installation. The most we will pay for loss or damage under this coverage is \$5,000 in any one loss. The most we will pay for all claims during the policy period is \$15,000.

#### h. Hotel Guest Inconvenience Expense

- (1) We will pay for actual “**Hotel Guest Inconvenience Expense**” incurred by persons for whom prearranged hotel accommodations at the described premises cannot be honored due to direct physical loss or damage to Covered Property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) We will pay for “**Hotel Guest Inconvenience Expense**” incurred for the time:
  - (a) Beginning on the date the person's prearranged hotel accommodations at the described premises are:
    - (i) scheduled to begin; or
    - (ii) interrupted;
    - (iii) whichever is later; and
  - (b) Ending on the earliest of the following dates:
    - (i) The date the person's prearranged hotel accommodations at the described premises are scheduled to end;

(ii) The date the damaged property at the described premises should be repaired, rebuilt or replaced with reasonable speed or similar quality;

(iii) Fourteen (14) days after the date determined in (a) above.

(3) The most we will pay for all "**Hotel Guest Inconvenience Expense**" in any one occurrence under this Additional Coverage is \$10,000. We will not pay more than \$1,000 in any one occurrence for the "**Hotel Guest Inconvenience Expense**" incurred by any one person.

(4) We will not pay for the "**Hotel Guest Inconvenience Expense**" for any one occurrence under this Additional Coverage until the amount of "**Hotel Guest Inconvenience Expense**" exceeds \$500. We will then pay the amount of "**Hotel Guest Inconvenience Expense**" incurred in excess of \$500 up to the Limit of Insurance for this Additional Coverage.

The Deductible Clause does not apply to "**Hotel Guest Inconvenience Expenses**".

**i. Expediting Expense**

(1) We will pay for your reasonable and necessary expense of temporary repairs to your business property or the extra costs of expediting the permanent repair or replacement of your property, whichever is less resulting from a covered cause of loss. These expenses include overtime wages and extra costs for rapid means of transportation. We will not pay for temporary rental of property or temporary replacement of damaged property.

(2) The most we will pay for loss or damage under this extension is \$25,000.

**j. Guests' Property**

(1) We will pay:

(a) For loss of or damage to "**guests' property**" for which you are legally liable while the property is in a safe deposit box inside a building at the described premises.

(b) For loss of or damage to "**guests' property**" for which you are legally liable while the property is at the described premises or in your possession.

If you are sued for refusing to pay for loss of or damage to "**guests' property**", and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the applicable Limit of Insurance shown in the Declarations.

(2) We will not pay for loss or damage:

(a) Until it exceeds the first \$500 of any loss.

(b) Resulting from any dishonest or criminal act that you or any of your partners or members commit, whether acting alone or in collusion with other persons.

(c) Resulting from liability you assume under any written agreement. However this exclusion does not apply under Paragraph (1) (b), to any written agreement entered



into with a guest before the occurrence of any loss or damage that increases to an amount not exceeding \$1,000 any lesser amount you may otherwise be liable under any statute.

- (d) To property resulting from fire, however caused.
  - (e) Under Paragraph (1) (a), to property in any wall safe or other container used for safekeeping that is in a guest's quarters.
  - (f) Under Paragraph (1) (b), to property resulting from the spilling, upsetting or leaking of any food or liquid.
  - (g) Under Paragraph (1) (b), to property while in your care and custody for laundering or cleaning.
  - (h) Resulting from your release of any other person or organization from legal liability.
  - (i) Under Paragraph (1) (b), to samples or articles carried or held for sale or delivery after sale.
  - (j) Under Paragraph (1) (b), to any vehicle including:
    - (i) Its equipment and accessories; and
    - (ii) Any property contained in or on a vehicle.
- (3) The most we will pay is determined as follows:
- (a) Under Paragraph (1) (a), the most we will pay for loss in any one occurrence is \$10,000. Subject to that limit, the most we will pay for loss arising out an occurrence for any one guest is \$1,000.
  - (b) Under Paragraph (1) (b), the most we will pay for loss in any one occurrence is \$10,000. Subject to that limit, the most we will pay for loss arising out of an occurrence for any one guest is \$1,000.
- (4) All loss or damage:
- (a) Involving a single act or series of related acts caused by one or more persons; or
  - (b) Involving a single event or series of events not caused by any person; is considered one occurrence.

Item d. of Paragraph 5. **Coverage Extensions** under Section A. **Coverage** is replaced by the following:

## **5. Coverage Extensions**

### **d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.

This Extension also applies to “**computers**” while such property is in the course of transit or is located, at a premises you do not own, lease or operate, for not more than 90 days.

(2) This Extension does not apply to property:

- (a) In or on a vehicle, except for “**computers**”; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is:

- (a) \$10,000 in any one occurrence for Covered Property while in the care, custody and control of your salesperson:
- (b) \$100,000 for all other Covered Property; and
- (c) \$100,000 in any one occurrence.

Item **b. Vacancy Provisions** of Paragraph **6. Vacancy** under Section **E. Loss Conditions** is deleted.

The following definitions are added to Section **H. Definitions**:

#### **H. Definitions**

1. “**Alternative key systems**” mean programmable keying systems, such as mechanically or electronically coded key cards.
2. “**Computer**” means:
  - a. Your programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your “**computer**” operations; and
  - b. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission. It does not include electronic data and media.
3. “**Guests’ property**” means “**money**”, “**securities**” and other tangible property having intrinsic value that belongs to your guest.
4. “**Hotel Guest Inconvenience Expense**” as used in this endorsement means the reasonable:
  - a. Extra expenses incurred to secure and use other comparable hotel accommodations as close as possible to the described premises;
  - b. Extra expenses incurred while traveling to and from the described premises to the premises where the comparable hotel accommodations are secured;
  - c. Prepaid amounts spent for activities away from the described premises which are lost because other comparable accommodations within a reasonable distance from the described premises are unavailable.
5. “**Money**” means:

- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers' checks, register checks and money orders held for sale to the public.
  
- 6. **"Securities"** means negotiable and nonnegotiable instruments or contracts representing either **"money"** or other property and includes:
  - a. Redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS-- BASIC FORM

CAUSES OF LOSS-- BROAD FORM

CAUSES OF LOSS-- SPECIAL FORM

- A.** The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form or Special Form.

### **Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
  - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. The following coverages also apply, unless otherwise shown in a Schedule, when there is a covered "accident". The limit shown for each coverage applies unless otherwise shown in a Schedule. These coverages do not provide additional amounts of insurance.
  - a. **Expediting Expenses**

With respect to your damaged Covered Property, we will pay up to \$25,000 the reasonable extra cost to:

    - (1) make temporary repairs; and
    - (2) expedite permanent repairs or permanent replacement.
  - b. **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional costs to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.
  - c. **Spoilage**
    - (1) We will pay:
      - (a) for physical damage to "perishable goods" due to spoilage;

- (b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
  - (c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000.
- d. **Computer Equipment**

We will pay for loss, damage or expense caused by or resulting from an “accident” to “computer equipment.”

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000. Computers used primarily to control or operate “covered equipment” are not subject to this limit.
- e. **Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.
- f. **Service Interruption**
  - (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by an “accident” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
  - (2) Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident.”
  - (3) The most we will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.
- g. **Business Income and Extra Expense**

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule.

### 3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

- a. The exclusions are modified as follows:
  - (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion **B.2.**:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an “accident” results, we will pay for the resulting loss, damage or expense.
  - (2) The following is added to Exclusion **B.1.g.**:

However, if electrical “covered equipment” requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(3) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident,” we will pay for the loss, damage or expense caused by that “accident.”

- b. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
  - (1) your failure to use all reasonable means to protect Covered Property from damage following an “accident”;
  - (2) any defect, programming error, programming limitation, computer virus, malicious code, loss of “data,” loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind. But if an “accident” results, we will pay for the resulting loss, damage or expense; or
  - (3) any of the following tests:
    - a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
- c. With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
  - (1) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
  - (2) any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident”: Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is “perishable goods,” to the extent that spoilage is covered under Spoilage coverage.
- f. We will not pay under this endorsement for any loss or damage to animals.

#### 4. DEFINITIONS

The following are added to **DEFINITIONS**:

- a. **“Boilers and vessels”** means:
  - (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- b. **“Computer equipment”** means Covered Property that is electronic computer or other data processing equipment, including “media” and peripherals used in conjunction with such equipment.
- c. **“Covered equipment”**
  - (1) “Covered equipment” means, unless otherwise specified in a Schedule, Covered Property:
    - (a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
    - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - (2) None of the following is “covered equipment”:
    - (a) structure, foundation, cabinet, compartment or air supported structure or building;
    - (b) insulating or refractory material;
    - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
    - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) “vehicle” or any equipment mounted on a “vehicle”;
    - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

- (g) dragline, excavation or construction equipment; or
- (h) equipment manufactured by you for sale.
- d. **"Data"** means information or instructions stored in digital code capable of being processed by machinery.
- e. **"Hazardous substance"** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- f. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- g. **"One accident"** means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- h. **"Perishable goods"** means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- i. **"Production machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.  
This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- j. **"Vehicle"** means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

B. The Building and Personal Property Coverage Form is modified as follows.  
The definitions stated above also apply to section B. of this endorsement.

#### 1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.  
Only as regards Equipment Breakdown Coverage, provision D. **DEDUCTIBLE** is deleted and replaced with the following:

- a. Deductibles for Each Coverage
  - (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
  - (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
  - (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply
- b. Direct and Indirect Coverages
  - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
  - (2) Unless more specifically indicated in the Schedule:
  - (3) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (4) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
- c. Application of Deductibles
  - (1) **Dollar Deductibles**  
We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
  - (2) **Time Deductible**  
If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

### **(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption.

The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration.

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

### **(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

## **2. CONDITIONS**

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

### **a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

(1) your last known address; or

(2) the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

### **b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

### **c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

### **d. Coinsurance**

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.



The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

POLICY NUMBER:

COMMERCIAL PROPERTY  
31-1118 01  
05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT SCHEDULE

Subject to any applicable limits on the Declarations, the Equipment Breakdown Limit is the most we will pay for loss or damage arising from any one Accident.

These coverages apply to all locations covered on the policy.

### SCHEDULE

Coverages	Limits
Equipment Breakdown Limit	\$
Business Income	\$
Extra Expense	\$
Expediting Expense	\$
Hazardous Substances	\$
Spoilage	\$
Computer Equipment	\$
Data Restoration	\$
Service Interruption	\$

### DEDUCTIBLES

Combined, All Coverages	\$
Direct Coverages	\$
Indirect Coverages	\$ or hrs. or ADV
Perishable Goods	\$ or %

Unless noted above, these coverage follow the Property Coverage Deductible

### OTHER CONDITIONS

(If no entry, refer to declarations page.)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT  
CAREFULLY.**

## **FOOD BORNE CONTAMINATION COVERAGE**

This endorsement modifies insurance provided under the following:

**BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM CP 00 30 04 02**

**Schedule of Coverage:**

Food Borne Contamination Coverage

**Limit of Insurance**

\$100,000

**The following is added to A. 5., Additional  
Coverages:**

**e. Food Borne Contamination**

1. If the “**Suspension**” of your “**Operations**” at the described premises is due to an ordered closure by the Board of Health or other governmental authority as a result of the discovery, or suspicion of “**Food Borne Contamination**” we will pay;
  - (a) your extra expense to clean your equipment as required by the local Board of Health or other governmental authority;
  - (b) your cost to replace food declared unfit for human consumption by the Board of Health or other governmental authority;
  - (c) for the actual loss of “**Business Income**” you sustain during the “**period of restoration**”.
2. The most we will pay for all loss covered under the “**Food Borne Contamination**” cause of loss, paragraph **e. 1. (a), (b) & (c)** of this form is a total of \$100,000.
3. We will not pay any fines or penalties levied against you by the Board of Health or other governmental authority as a result of the discovery or suspicion of “**Food Borne Contamination**”.

**The following is added to F. Definitions:**

7. “**Food Borne Contamination**” means the presence of viral, parasitic or bacterial organisms as evidenced by illness, sickness or disease to one or more of your customers as verified by the Board of Health or other governmental authority directly resulting from the consumption of or contact with your food or your employees.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS INCOME - ACTUAL LOSS SUSTAINED (TWELVE MONTH LIMITATION)**

This endorsement modifies insurance provided under the following:

### **BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM**

With respects to coverage provided by this endorsement, the provisions of the Coverage Form referenced above apply unless modified by this endorsement.

#### **B. Limits of Insurance**

This section is replaced in its entirety by the following:

Subject to the terms and conditions as set forth in **D. Additional Conditions**, we will pay your Actual **"Business Income"** Loss Sustained for any one occurrence.

#### **D. Additional Condition**

This section is replaced in its entirety by the following:

For "Actual Loss Sustained" to replace the limit of insurance shown on the declarations page:

1. You must furnish to us financial data (Form CP 15 15 or equivalent), showing the insurable Business Income exposure for your "operations" for the 12 months immediately preceding the inception date of this policy, and;
2. The limits shown on the Declarations Page and used for premium establishment must be equal to, or greater than, the insurable Business Income amount furnished in D.1.

You agree that such data furnished to us and retained in our records form a part of this coverage and our reliance on such representations have caused us to issue this Coverage Form.

**Coinurance** does not apply.

#### **F. Definitions**

**3. b. is replaced by the following;**

3. "Period of Restoration" means the period of time that:

**b. Ends on the earlier of:**

- 1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- 2) The date when business is resumed at a new permanent location; or
- 3) Twelve months after the time of direct physical loss or damage.

# NOTICE TO POLICYHOLDERS

## RESTRICTIONS OF TERRORISM COVERAGE

This Notice has been prepared in conjunction with the implementation of changes related to coverage of terrorism under your policy. It contains a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. This Notice is designed to alert you to coverage restrictions and to other provisions in the terrorism endorsement in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

In accordance with the **Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)**, we are required to offer you coverage for losses resulting from an act of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

### CHANGE IN THE DEFINITION OF CERTIFIED ACTS OF TERRORISM AND INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY

Under the Federal **Terrorism Risk Insurance Program Reauthorization Act of 2007**, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the **TRIPRA**. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism." Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

Carefully read your policy, including the endorsements attached to your policy.

***WE HAVE INCLUDED A PREMIUM CHARGE ON YOUR POLICY FOR  
"CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM."***

**THE PREMIUM CHARGE FOR THE TERRORISM COVERAGE  
IS SHOWN EITHER ON THE "DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE  
ACT" OR "DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM" OR YOUR POLICY  
DECLARATIONS**

### **YOUR POLICY**

Your policy does not contain a terrorism exclusion. However, we have included an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement, but involves acts of terrorism by or on behalf of a foreign interest) is subject to a limit on our liability pursuant to the **Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)**. The terrorism definition is based on **TRIPRA**, under which the federal government determines when a "certified act of terrorism" has occurred. The government may participate in paying for some of the losses from such an event. This coverage is subject to a limit on our liability pursuant to the federal law and is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

**Unless you notify us in writing that you wish to reject terrorism coverage, we will include terrorism coverage in your policy.** You may reject this offer by signing the enclosed REJECTION STATEMENT and returning it to us. Once we receive the signed rejection form your policy will be endorsed to exclude the terrorism coverage and the premium amount refunded to you.

## **PROPERTY SECTION**

### **NOTICE APPLICABLE ONLY in California, Missouri, Oregon, Wisconsin:**

STATE REQUIREMENTS BECAUSE OF THE STANDARD FIRE CLAUSE: The terrorism exclusion does not restrict fire coverage under Commercial Property, Commercial Inland Marine and Farm insurance due to a statutory requirement in these states. Therefore, losses attributable to fire following an act of terrorism, if otherwise covered, remain covered under such insurance. An appropriate premium charge is included in your policy.

### **NOTICE APPLICABLE ONLY in Georgia, Illinois, Iowa, and Washington:**

STATE REQUIREMENTS BECAUSE OF THE STANDARD FIRE CLAUSE: The terrorism exclusion does not restrict fire coverage under Commercial Property and Farm insurance due to a statutory requirement in this state. Therefore, losses attributable to fire following an act of terrorism, if otherwise covered, remain covered under such insurance. An appropriate premium charge is included in your policy.

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

<i>SERFF Tracking Number:</i>	<i>UNKP-125653837</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Milwaukee Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>AR-CF-0809-01-375</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Fire &amp; Allied Lines</i>		
<i>Project Name/Number:</i>	<i>/AR-CF-0809-01-375</i>		

## Rate Information

Rate data does NOT apply to filing.



SERFF Tracking Number:	UNKP-125653837	State:	Arkansas
Filing Company:	Milwaukee Casualty Insurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	AR-CF-0809-01-375		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	Commercial Fire & Allied Lines		
Project Name/Number:	/AR-CF-0809-01-375		

## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Approved	05/30/2008
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### Comments:

### Attachments:

(SERFF) F777\_03\_07.pdf  
(SERFF) F778\_03\_07\_Page\_1\_.pdf  
(SERFF) F778\_03\_07\_Page\_2\_.pdf

<b>Satisfied -Name:</b>	Company Cover Letter	<b>Review Status:</b>	Approved	05/30/2008
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### Comments:

### Attachment:

(SERFF) Letter\_Company\_Forms.pdf

**Property & Casualty Transmittal Document**

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

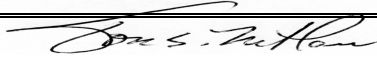
<b>3. Group Name</b>	<b>Group NAIC #</b>
Unitrin Property & Casualty Insurance Group	215

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Milwaukee Casualty Insurance Company	Wisconsin	26662	39-1190263	

<b>5. Company Tracking Number</b>	<b>AR-CF-0809-01-375</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Jon Zetlau 12790 Merit Drive Dallas, TX 75251	Bureau/ Forms Compliance Manager	800/777-2249 ext 8034	214/360-8060	tsettlemer@unitrin.com

<b>7. Signature of authorized filer</b>	
<b>8. Please print name of authorized filer</b>	Jon Zetlau

**Filing information** (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	01.0 Property
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	01.0001 Commercial Property
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 09/01/08                      Renewal: 09/01/08
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	NA

<b>17. Reference Organization # &amp; Title</b>	NA
<b>18. Company's Date of Filing</b>	May 21, 2008
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

### Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	AR-CF-0809-01-375
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
--

Filing to adopt all previously approved Company forms for new Company - Milwaukee Casualty Insurance Co.

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
---

**Check #:** NA  
**Amount:** NA

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

Effective March 1, 2007

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**FORM FILING SCHEDULE**

(This form must be provided **ONLY** when making a filing that includes forms)  
**(Do not refer to the body of the filing for the forms listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>AR-CF-0809-01-375 (Page 1)</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>AR-CF-0809-02-376</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Notice to Policyholders- Restrictions of Terrorism Coverage	30-0873 12 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Notice- Terrorism Coverage- Rejection Statement	30-0722 04 04	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Equipment Breakdown Coverage Schedule	31-1118 01 05	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Advisory Notice to Policyholders- Exclusion of Loss Due to Virus/Bacteria	30-0866 07 06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Important Notice Regarding Our Privacy Policy	60-0446 03 03	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Business Income- Actual Loss Sustained	31-1139 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Commercial Property Expanded Coverage	31-1113 01 05	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Motel- Hotel Supplement	31-1115 01 05	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Equipment Breakdown Coverage	31-1117 01 05	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Food Borne Contamination Coverage	31-1136 09 06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)  
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>AR-CF-0809-01-375 (Page 2)</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>AR-CF-0809-02-376</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	OFAC	IL P 001 01 04	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



May 21, 2008

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904

Attn: Property and Casualty Division

RE: Commercial Fire & Allied Lines – Company Forms  
Milwaukee Casualty Insurance Company – NAIC #26662; FEIN #39-1190263  
Company Filing Number: AR-CF-0809-01-375

Dear Sir:

For all policies effective on or after September 1, 2008, we wish to adopt the Company forms currently filed and approved for in our other companies.

In this initial filing, our intent is to file a program identical to the one currently filed and approved by the Arkansas Department of Insurance for Trinity Universal Insurance Company (NAIC #19887, FEIN #75-0620550).

Filing forms are attached for your review. Copies of all Company endorsements are also included.

Should you have any further questions or wish to discuss the matter further, please feel free to contact Tyrone Settlemier at (800) 777-2249 ext. 8034, [tsettlemer@unitrin.com](mailto:tsettlemer@unitrin.com), or by mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon S. Zetlau". The signature is fluid and cursive.

Jon Zetlau  
Bureau and Forms Compliance Manager

JZ/df